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LISA SMITH, COUNTY RECORDER
MADISON IOWA

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**REAL ESTATE MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND FIXTURE FILING**

Recorder's Cover Sheet

Preparer Information:

Paul S. Moe
Faegr & Benson, LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Telephone: (612) 766-7000

Taxpayer Information:

Farmers Cooperative Company
105 Garfield Avenue
Farnhamville, IA 50538
Attention: Mark W. Miner

Return Document To:

First American Title Insurance Co
1900 Midwest Plaza
801 Nicollet Mall
Minneapolis, MN 55402
NCS- 385624 -MPLS (tc)

Mortgagor:

Farmers Cooperative Company

Mortgagee:

CoBank, ACB, as Administrative Agent

Legal Description: See Exhibit "A"

THIS INSTRUMENT CONSTITUTES A MORTGAGE COVERING REAL PROPERTY AND FIXTURES AND IS TO BE CROSS INDEXED IN ALL INDICES IN WHICH ARE RECORDED LIENS, MORTGAGES, OR OTHER ENCUMBRANCES AGAINST REAL PROPERTY AND FIXTURES, INCLUDING THE MORTGAGE INDEX AND THE UCC INDEX.

THIS INSTRUMENT CONSTITUTES A LIEN ON ALL AFTER ACQUIRED PROPERTY OF THE MORTGAGOR.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$595,287,500.00. LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

THIS REAL ESTATE MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FIXTURE FILING, dated as of February 26, 2009 is made by FARMERS COOPERATIVE COMPANY, (hereinafter called the "Mortgagor"), a cooperative association existing under the laws of the State of Iowa, in favor of CoBANK, ACB, as Administrative Agent for and on behalf of each lender (each, a "Lender") from time to time a party to the Credit Agreement (as defined below), (hereinafter called the "Mortgagee"), a federally chartered instrumentality of the United States.

ARTICLE I.

DEFINITIONS

Section 1.01. Definitions. In addition to the terms defined elsewhere in this Mortgage, the following terms shall have the meanings specified in this Section 1.01, unless the context clearly requires otherwise. The terms defined herein include the plural as well as the singular. Accounting terms used in this Mortgage but not otherwise defined herein shall have the meanings they have under GAAP.

Credit Agreement shall mean that certain Credit Agreement dated as of February 26, 2009, by and among Mortgagor, as Borrower, various lenders, U.S. Bank National Association, as Syndication Agent, and Mortgagee, as Administrative Agent and Lead Arranger, as the same may be amended, supplemented and restated from time to time.

Environmental Law shall have the meaning set forth and described in the Credit Agreement.

Event of Default shall have the meaning specified in Section 4.01.

GAAP shall mean generally accepted accounting principles as established by the American Institute of Certified Public Accountants.

Hazardous Materials shall have the meaning specified in Section 3.13.

Lien shall mean any statutory or common law consensual or non-consensual mortgage, pledge, grant, security title or interest, lien, encumbrance or charge of any kind against property, including, without limitation, any conditional sale or other title retention transaction, and any lease transaction in the nature of a security interest.

Mortgage shall mean this Real Estate Mortgage, Security Agreement, Assignment of Rents and Fixture Filing, as it may be amended or supplemented from time to time.

Mortgaged Property shall have the meaning specified in Section 2.01.

Obligations shall have the meaning set forth and described in the Credit Agreement.

Permitted Liens shall have the meaning set forth and described in the Credit Agreement.

ARTICLE II.

GRANTING CLAUSES

Section 2.01. Granting Clauses. In order to secure (a) the repayment of the Obligations, whether such Obligations are made pursuant to a commitment, made at the option of the Mortgagee, made after a reduction to zero or other balance, or made otherwise, and (b) the performance of all of the covenants and agreements of the Mortgagor contained in the Credit Agreement, this Mortgage, or any other document evidencing or securing the Obligations, the Mortgagor, in consideration of the premises, does hereby grant, bargain, sell, alienate, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm unto the Mortgagee, and its respective assigns, the following (all of which are hereinafter collectively called the "Mortgaged Property"):

All right, title and interest of the Mortgagor in and to those fee and leasehold estates in real property described in Exhibit "A" hereto (hereinafter called the "**Land**"), together with all of its right, title and interest in (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Land; (ii) all lighting, heating, ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment and all other fixtures of every description located in or on, or used, or intended to be used in connection with the Land or any building now or hereafter located thereon; (iii) all hereditaments, easements, appurtenances, riparian rights, rents, issues, profits, condemnation awards, mineral rights and water rights now or hereafter belonging or in any way pertaining to the Land or to any building now or hereafter located thereon and all the estates, rights and interests of the Mortgagor in the Land; (iv) all building materials, furniture, furnishings, maintenance equipment and all other personal property now or hereafter located in, or on, or used, or intended to be used in connection with the Land or any building now or hereafter located thereon and all replacements and additions thereto; (v) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to, of or for any and all of the foregoing; and (vi) any and all after-acquired interest of the Mortgagor in any of the foregoing, including the Land.

TOGETHER WITH all easements, rights, rights-of-way, strips and gores of land, alleys, sewer rights, water and water rights relating to the Land, including reversions and remainders, if any, of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street or highway adjoining the Land.

TOGETHER WITH all leases, subleases, licenses, and other agreements affecting the use, enjoyment or occupancy of the Land, now or hereafter entered into, together with any

extensions thereof and guarantces relating thereto (collectively, the "Leases"), and all rents, issues, revenues, profits, fees, charges, accounts, income, and other sums payable under the Leases, all tenant security and other deposits, oil and gas or other mineral royalties, bonuses and rents, revenues, issues and profits relating to the Land (collectively, the "Rents").

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee and its respective assigns, to secure the payment and performance of the Obligations, including, without limitation, the due performance of the covenants, agreements and provisions herein contained, and for the uses and purposes and upon the terms, conditions, provisos and agreements hereinafter expressed and declared.

The total amount of principal secured by this Mortgage may be increased or decreased from time to time, but the total unpaid principal balance so secured at any one time shall not exceed the maximum principal amount of \$595,287,500.00 plus interest thereon at the applicable rate therefore and any disbursements made under the Credit Agreement or this Mortgage including, without limitation, the payment of taxes, assessments, levies, insurance premiums, attorneys' fees, costs incurred for the protection of the Mortgaged Property, or otherwise with interest on such disbursements at the rate specified in the Credit Agreement, from time to time. It is agreed that any additional sum or sums loaned, advanced, or readvanced by Mortgagee pursuant to the terms of this Mortgage or the Credit Agreement after the date of the execution hereof shall be equally secured with, and have the same priority as, the original principal loaned or advanced and shall be subject to all of the terms, provisions, and conditions of this Mortgage, whether or not, in the case of loans, advances, or readvances, such additional loans or advances or readvances are evidenced by Notes of Mortgagor and whether or not identified by a recital that it or they are secured by this Mortgage.

ARTICLE III.

PARTICULAR REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE MORTGAGOR

The Mortgagor represents, warrants and, except as otherwise permitted by the Mortgagee, covenants with the Mortgagee as follows:

Section 3.01. Authority to Execute and Deliver this Mortgage; All Action Taken; Enforceable Obligations. The Mortgagor is authorized under its articles of incorporation and bylaws or other applicable organizational documents, all applicable laws, and by appropriate corporate or organizational action to execute and deliver this Mortgage; and this Mortgage is, and any amendment, supplement or restatement of this Mortgage, when executed and delivered will be, the legal, valid and binding obligations of the Mortgagor which are enforceable in accordance with their respective terms.

Section 3.02. Authority to Mortgage Property; No Liens; Exception for Permitted Liens; Mortgagor to Defend Title and Remove Liens. The Mortgagor has good and

marketable title to all fee and leasehold estates in the Land and good, right and lawful authority to mortgage the Mortgaged Property for the purposes herein expressed. The Mortgaged Property is free and clear of any Lien affecting the title thereto, except Permitted Liens. The Mortgagor will, so long as any of the Obligations shall remain unpaid, maintain and preserve the Lien of this Mortgage superior to all other Liens, other than Permitted Liens, and will forever warrant and defend the title to the Mortgaged Property against any and all claims and demands.

Section 3.03. No Encumbrances on Mortgaged Property. The Mortgagor will not create, incur, suffer or permit to exist any Lien on any of the Mortgaged Property, except for Permitted Liens. Except for claims giving rise to Permitted Liens, the Mortgagor will promptly pay or discharge any and all obligations for or on account of which any such Lien might exist.

Section 3.04. Sale or Transfer of Mortgaged Property. The Mortgagor shall not sell, lease or transfer any of the Mortgaged Property to any person or entity except as permitted in the Credit Agreement.

Section 3.05. Payment of Obligations. The Mortgagor will duly and punctually pay all Obligations, at the dates and places and in the manner provided in all Credit Agreement, and all other sums becoming due hereunder.

Section 3.06. Preservation of Franchises and Compliance with Laws. The Mortgagor will take or cause to be taken all such action as may from time to time be necessary to obtain, preserve and renew all franchises, rights of way, easements, permits, and licenses now or hereafter granted or upon it conferred necessary to the operations of the Mortgagor, and will comply in all material respects with all laws, ordinances, regulations, and requirements applicable to it or the Mortgaged Property.

Section 3.07. Maintenance of Mortgaged Property. The Mortgagor will at all times maintain and preserve the Mortgaged Property and each and every material part and parcel thereof in good repair, working order and condition, ordinary wear and tear excepted, and in material compliance with all applicable laws, ordinances, regulations, and requirements, and will from time to time make all needed and proper repairs, renewals, and replacements, and useful and proper alterations, additions, betterments and improvements, and will, subject to contingencies beyond its reasonable control, at all times keep its plant and properties in continuous operating condition and use all reasonable diligence to furnish the consumers served by it through the Mortgaged Property, or any part thereof, with adequate services furnished by the Mortgagor.

Section 3.08. Insurance.

(A) **Risks to be Insured.** The Mortgagor, at its sole cost and expense, shall maintain insurance of the following character:

(1) Insurance on the buildings and other improvements now existing or hereafter erected on the Land and on the fixtures and personal property included in the

Mortgaged Property against loss by fire and other hazards covered by the so-called "all-risk" (or special causes of loss) form of policy without a co-insurance clause in an amount equal to the full replacement cost thereof (without deduction for depreciation) as such replacement cost shall be determined from time to time at the request of Mortgagee. The Mortgagor shall at its sole cost and expense, from time to time and at any time, at the request of the Mortgagee, provide the Mortgagee with evidence satisfactory to the Mortgagee of the replacement cost of the Mortgaged Property. While any building or other improvement is in the course of being constructed or rebuilt on the Land, the Mortgagor shall provide the aforesaid hazard insurance in builder's risk completed value form, including coverage available on the so-called "all-risk" (or special causes of loss) non-reporting form of policy for an amount equal to 100% of the insurable replacement value of such building or other improvement.

(2) If the Mortgaged Property includes steam boilers or other equipment for the generation or transmission of steam, insurance against loss or damage by explosion, rupture or bursting of steam boilers, pipes, turbines, engines and other pressure vessels and equipment, in an amount satisfactory to the Mortgagee, without a co-insurance clause.

(3) Comprehensive general liability insurance protecting against claims arising from any accident or other occurrence in or upon the Mortgaged Property in an amount acceptable to the Mortgagee.

(4) If the Land or any part thereof is located in a designated official flood-hazard area, flood insurance insuring the buildings and improvements now existing or hereafter erected on the Land in an amount equal to the lesser of the appraised value of the buildings or improvements in the flood hazard area or the maximum limit of coverage made available with respect to such buildings and improvements under the Federal Flood Disaster Protection Act of 1973, as amended, and the regulations issued thereunder.

(5) While any building or improvement is in the course of being constructed, renovated or rebuilt on the Land, such worker's compensation insurance as is required by statute.

(B) Policy Provisions. All insurance policies and renewals thereof maintained by the Mortgagor pursuant to Sections (A)(1) through (A)(3) above shall be written by an insurance carrier satisfactory to the Mortgagee, contain a standard mortgagee clause in favor of and in form acceptable to the Mortgagee, contain an agreement of the insurer that it will not cancel or modify the policy except after 30 days' prior written notice to the Mortgagee, and be reasonably satisfactory to the Mortgagee in all other respects. The insurance maintained pursuant to Sections (A)(4) and (A)(5) shall also be written by an insurance carrier acceptable to the Mortgagee in its reasonable discretion.

(C) Delivery of Policy. The Mortgagor shall deliver to the Mortgagee copies of policies satisfactory to the Mortgagee evidencing the insurance which is required under Sections (A)(1) through (A)(3), certificates evidencing the insurance which is required under

Sections (A)(4) and (A)(5), and the Mortgagor shall promptly furnish to the Mortgagee copies of all renewal notices and all receipts of paid premiums received by it. At least 30 days prior to the expiration date of a required policy, the Mortgagor shall deliver to the Mortgagee a copy of a renewal policy in form satisfactory to the Mortgagee. If the Mortgagor has a blanket insurance policy in force providing coverage for several properties of the Mortgagor, including the Mortgaged Property, the Mortgagee shall accept a certificate of such insurance together with a copy of such blanket insurance policy; provided the certificate sets forth the amounts of insurance and coverage, such amounts are at least equal to the amounts required above, and the original policy of insurance is written by a carrier or carriers acceptable to the Mortgagee, insures against the risks set forth above, cannot be amended, modified or cancelled without thirty (30) days' prior written notice to any mortgagee of the Mortgagor and has a full replacement cost endorsement meeting the requirements of Section 3.08(A)(1).

(D) **Assignment of Policy.** If the Mortgaged Property is sold at a foreclosure sale or if the Mortgagee otherwise acquires title to the Mortgaged Property, the Mortgagee shall, to the fullest extent permitted under such insurance policies, have all of the right, title and interest of the Mortgagor in and to any insurance policies required under Sections 3.08 (A)(1) through (A)(3) hereof and the unearned premiums thereon and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(E) **Notice of Damage or Destruction; Adjusting Loss.** If the Mortgaged Property or any part thereof shall be damaged or destroyed by fire or other casualty, the Mortgagor shall promptly give written notice thereof to the insurance carrier and the Mortgagee, and shall not adjust any damage or loss that is estimated by the Mortgagee in good faith to exceed \$1,000,000 unless the Mortgagee shall have joined in such adjustment; but if there has been no adjustment of any such damage or loss within four months from the date of occurrence thereof and if an Event of Default shall exist at the end of such four-month period or at any time thereafter, the Mortgagee may alone make proof of loss, adjust and compromise any claim under the policies and appear in and prosecute any action arising from such policies. In connection therewith, the Mortgagor does hereby irrevocably authorize, empower and appoint the Mortgagee as attorney-in-fact for the Mortgagor (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of the Mortgagor.

(F) **Application of Insurance Proceeds.** Subject to Section 2.15(h) of the Credit Agreement, all sums paid under any insurance policy required in Sections 3.08 (A)(1) through (A)(5) in excess of \$1,000,000 shall be paid to the Mortgagee. At its option (but subject to Section 3.08(G) below), whether or not its security is impaired, the Mortgagee shall apply the same (after first deducting therefrom the Mortgagee's expenses incurred in collecting the same, including but not limited to reasonable attorneys' fees) to the reduction of the Obligations or to payment for the restoration, repair, replacement or rebuilding of the Mortgaged Property that is damaged or destroyed, in such manner as the Mortgagee may determine. Any application of insurance proceeds shall not extend or postpone the due dates of the monthly installments payable under the Credit Agreement or change the amount of such installments.

(G) **Application to Restoration.** Notwithstanding the provisions of Section 3.08(F), Mortgagee shall make all sums paid to it pursuant to the provisions of Section 3.08(F) (“Proceeds”) (after first deducting therefrom Mortgagee’s reasonable expenses incurred in collecting the same, including reasonable attorneys’ fees and expenses) available to Mortgagor for the purpose of reimbursing Mortgagor for Mortgagor’s reasonable out-of-pocket costs of restoration, repair, replacement or rebuilding of the improvements on the Land, in accordance with any and all procedures reasonably required by Mortgagee (and shall not be applied toward the payment of the Obligations until after restoration, repair, replacement or rebuilding of the improvements on the Land) provided each of the following conditions shall be met:

(1) There shall at the time of the casualty and at all times thereafter have occurred and be continuing no Event of Default or event which with notice, the passage of time, or both, would become an Event of Default;

(2) Mortgagor shall notify Mortgagee of Mortgagor’s intention to perform such restoration, repair, replacement or rebuilding within thirty (30) days of the adjusting of the loss or casualty;

(3) Mortgagee shall receive evidence reasonably satisfactory to Mortgagee that the improvements on the Land have been fully restored, repaired, replaced or rebuilt or that by application of the Proceeds will be fully restored, repaired, replaced or rebuilt to a condition substantially similar to that existing immediately prior to the damage or destruction (or as otherwise reasonably approved by Mortgagee), free and clear of all liens other than the Permitted Liens, except as otherwise expressly permitted herein;

(4) If, in the reasonable judgment of Mortgagee, the Proceeds shall be insufficient to restore, repair, replace or rebuild the improvements on the Land to a condition substantially similar to that existing immediately prior to the damage or destruction (or as otherwise reasonably approved by Mortgagee), Mortgagor shall demonstrate to Mortgagee the availability of funds which, together with the Proceeds, shall be sufficient to restore, repair, replace or rebuild the improvements on the Land to a condition substantially similar to that existing immediately prior to the damage or destruction (or as otherwise reasonably approved by Mortgagee); and

(5) There shall, in the reasonable judgment of Mortgagee, remain sufficient time to complete the restoration, repair, replacement or rebuilding of the improvements on the Land prior to the Maturity Date of the Term C Facility (as defined in the Credit Agreement).

Any proceeds remaining after reimbursement of Mortgagor for the cost of restoring, repairing, replacing or rebuilding the improvements on the Land, as described above, at Mortgagee’s option, may be applied to partial prepayment of the Obligations. Any such application of the Proceeds to the payment of the Obligations shall be without prepayment premium or penalty, if any, otherwise applicable and shall not extend or postpone the due dates

of the monthly installments payable under the Credit Agreement or change the amount of such installments. Any remaining Proceeds not applied to the Obligations shall be paid to Mortgagor.

(H) **Reimbursement of the Mortgagee's Expenses.** The Mortgagor shall promptly reimburse the Mortgagee upon demand for all of the Mortgagee's expenses incurred in connection with the collection of the insurance proceeds, including but not limited to reasonable attorneys' fees, and all such expenses, together with interest from the date of disbursement at the Default Rate as stated and defined in the Credit Agreement (unless collection of interest from the Mortgagor at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from the Mortgagor under applicable law), shall be additional amounts secured by this Mortgage.

Section 3.09. Mortgagee Right to Expend Money to Protect Mortgaged Property. From time to time, the Mortgagee may, in its sole discretion, but shall not be obligated to, advance funds on behalf of the Mortgagor, in order to ensure compliance with any covenant or agreement of the Mortgagor made in or pursuant to this Mortgage or the Credit Agreement, to preserve or protect any right or interest of the Mortgagee in the Mortgaged Property or under or pursuant to this Mortgage or the Credit Agreement, including, without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Mortgaged Property or other property or assets of the Mortgagor (other than Permitted Liens); provided, however, that the making of any such advance by the Mortgagee shall not constitute a waiver by the Mortgagee of any Event of Default with respect to which such advance is made nor excuse the Mortgagor from any performance required hereunder. The Mortgagor shall pay to the Mortgagee upon demand all such advances made by the Mortgagee with interest thereon at a rate equal at all times to 4% per annum above the Mortgagee's "CoBank Base Rate." For purposes hereof, the CoBank Base Rate shall mean the rate of interest established by the Mortgagee from time to time as its CoBank Base Rate, which rate is intended by the Mortgagee to be a reference rate and not its lowest rate. All such advances and accrued interest shall be secured by this Mortgage.

Section 3.10. Further Assurances. Upon the request of the Mortgagee, the Mortgagor shall promptly do all acts and things, including the execution, acknowledgment and delivery of such amendments thereto and other instruments and documents as the Mortgagee may request, to enable the Mortgagee to perfect and maintain the Lien of this Mortgage and/or the Mortgagee's rights and remedies hereunder. The Mortgagor shall notify the Mortgagee promptly upon the acquisition of any fee or leasehold estate in real property and, to the extent required under the Credit Agreement, shall execute and record such amendments or supplements to this Mortgage or other documents or instruments as are necessary or appropriate to subject such real property to the Lien of this Mortgage and shall deliver such executed and recorded amendments or supplements or other documents or instruments to the Mortgagee. In the event the Mortgagor fails to take any action required under this Section 3.10, the Mortgagee may take any such action and make, execute and record any such instruments and documents for and in the name of the Mortgagor, and the Mortgagor hereby irrevocably appoints the Mortgagee as its attorney-in-fact to take such actions, which appointment is coupled with an interest and irrevocable.

Section 3.11. Condemnation.

(A) The Mortgagor hereby irrevocably assigns to the Mortgagee any award or payment which becomes payable to the Mortgagor by reason of any taking of the Mortgaged Property, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings (hereinafter called a "Taking"). Forthwith upon receipt by the Mortgagor of notice of the institution of any proceeding or negotiations for a Taking, the Mortgagor shall give notice thereof to the Mortgagee. The Mortgagee may appear in any such proceedings and participate in any such negotiations and may be represented by counsel. The Mortgagor, notwithstanding that the Mortgagee may not be a party to any such proceeding, shall promptly give to the Mortgagee copies of all notices, pleadings, judgments, determinations and other papers received by the Mortgagor therein. The Mortgagor shall not enter into any agreement permitting or consenting to the taking of the Mortgaged Property, or any part thereof, or providing for the conveyance thereof in lieu of condemnation, with anyone authorized to acquire the same in condemnation or by eminent domain unless the Mortgagee shall first have consented thereto in writing. All Taking awards shall be adjusted jointly by the Mortgagor and the Mortgagee. Subject to Section 2.15(h) of the Credit Agreement, all awards payable as a result of a Taking shall be paid to the Mortgagee, which may, at its option, apply them, after first deducting the Mortgagee's expenses incurred in the collection thereof, to the payment of the Obligations, whether or not due and in such order of application as the Mortgagee may determine, or to the repair or restoration of the Mortgaged Property, in such manner as the Mortgagee may determine.

(B) If the Taking involves a taking of any building or other improvement now or hereafter located on the Land, the Mortgagor shall proceed, with reasonable diligence, to demolish and remove any ruins and, at the request of Mortgagee (and provided that the Taking award is made available to Mortgagor for such purposes), complete repair or restoration of the Mortgaged Property as nearly as possible to its respective size, type and character immediately prior to the Taking, whether or not the condemnation awards are available or adequate to complete such repair or restoration. The Mortgagor shall promptly reimburse the Mortgagee upon demand for all of the Mortgagee's expenses (including reasonable attorney's fees) incurred in the collection of awards and their disbursement in accordance with this paragraph, and all such expenses, together with interest from the date of disbursement at the Default Rate (unless collection of interest from the Mortgagor at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from the Mortgagor under applicable law), shall be additional amounts secured by this Mortgage.

Section 3.12. Conflict with Mortgage Terms. The provisions of this Mortgage and the Credit Agreement shall be cumulative and not mutually exclusive, notwithstanding any inconsistencies.

Section 3.13. Environmental Representations, Warranties and Covenants. The Mortgagor makes the following representations, warranties and covenants, all of which are subject to any exceptions that the Mortgagor may have previously disclosed in writing to the

Mortgagee, and which, to the extent that they deal with representations of fact, are based on the Mortgagor's present knowledge, arrived at after reasonable inquiry.

(A) Use of the Mortgaged Property.

(1) The Mortgagor shall: (a) use, handle, transport or store Hazardous Materials as defined under any Environmental Law (both as hereinafter defined); and (b) store or treat non-hazardous wastes: (i) in a good and prudent manner in the ordinary course of business; and (ii) in compliance with all applicable Environmental Laws.

(2) The Mortgagor shall not conduct or allow to be conducted, in violation of any Environmental Law, any business, operations or activity on the Mortgaged Property, or, except in strict compliance with applicable law, employ or use the Mortgaged Property to generate, use, handle, manufacture, treat, store, process, transport or dispose of any Hazardous Materials, or any other substance which is prohibited, controlled or regulated under applicable law. The Mortgagor shall not use the Mortgaged Property in a way that poses a threat or nuisance to public safety, health or the environment, or cause or allow to be caused a known or suspected release of Hazardous Materials, on, under, or from the Mortgaged Property.

(B) Condition of the Mortgaged Property.

(1) The Mortgagor shall take all appropriate response actions, including any removal and remedial actions, in the event of a release, emission, discharge or disposal of Hazardous Materials in, on, under, or about the Mortgaged Property, so as to remain in compliance with all Environmental Laws.

(2) All underground tanks, wells, septic tanks, ponds, pits, or any other storage tanks (whether currently in use or abandoned) on the Mortgaged Property, if any, are, as of the date hereof, maintained in compliance with all applicable Environmental Laws.

(C) Notice of Environmental Problems or Litigation. Neither the Mortgagor nor any of its tenants have given, nor were they required to give, nor have they received, any notice, letter, citation, order, warning, complaint, inquiry, claim or demand that: (1) the Mortgagor and/or any tenants have violated, or are about to violate, any Environmental Law, judgment or order; (2) there has been a release, or there is a threat of release, of Hazardous Materials from the Mortgaged Property; (3) the Mortgagor and/or its tenants may be or are liable, in whole or in part, for the costs of cleaning up, remediating, removing or responding to a release or a threatened release of Hazardous Materials; or (4) the Mortgaged Property is subject to a Lien in favor of any governmental entity for any liability, costs or damages, under any Environmental Law arising from, or costs incurred by such governmental entity in response to, a release or a threatened release of a Hazardous Material. The Mortgagor further represents and warrants that no conditions currently exist or are currently reasonably foreseeable that would subject the Mortgagor to any such investigation, litigation, administrative enforcement or to any damages, penalties, injunctive relief, or cleanup costs under any Environmental Law. Upon receipt of any such notice, the Mortgagor and its tenants shall immediately provide a copy to the Mortgagee.

(D) **Right of Inspection.** Upon reasonable notice to Mortgagor and subject to any limitations contained in the Credit Agreement, Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Mortgaged Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of the Credit Agreement. If Mortgagor has a reasonable basis to believe that there has been a material release of Hazardous Substances on the Mortgaged Property or that there has been a material violation of Environmental Law at the Mortgaged Property, then Mortgagor or its agents, representatives or workmen may (but shall not be obligated to) perform subsurface testing, soils and groundwater testing, or any other such tests that may physically invade the Mortgaged Property, as the Mortgagee may reasonably determine are necessary to protect its security interest. All costs related to any such inspections or tests shall be paid in accordance with the provisions of Section 2.17(b) of the Credit Agreement.

(E) **Indemnity.** The Mortgagor agrees to indemnify and hold the Mortgagee, its directors, employees, agents, and its successors and assigns, harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, judgments, administrative orders, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including without limitation attorney's fees and expenses) arising directly or indirectly, in whole or in part, out of any failure of the Mortgagor to comply with the environmental representations, warranties, and covenants contained herein.

(F) **Continuation of Representations, Warranties, Covenants and Indemnities.** The Mortgagor's representations, warranties, covenants, and indemnities contained herein shall survive the occurrence of any event whatsoever, including, without limitation, the satisfaction of the Obligations secured hereby, the reconveyance or foreclosure of this Mortgage, the acceptance by the Mortgagee of a deed in lieu of foreclosure, or any transfer or abandonment of the Mortgaged Property.

(G) **Corrective Action.** In the event the Mortgagor is in breach of any of its representations, warranties or agreements as set forth above, then, without limiting the Mortgagee's other rights hereunder, the Mortgagor, at its sole expense, shall take all actions required, including, without limitation, environmental cleanup of the Mortgaged Property, to comply with the representations, warranties, and covenants contained herein and with all applicable legal requirements and, in any event, shall take all actions deemed necessary under all applicable Environmental Laws.

(H) **Hazardous Materials Defined.** The term "Hazardous Materials" shall mean dangerous, toxic, or hazardous pollutants, contaminants, chemicals, wastes, materials or substances, as defined in or governed by the provisions of any Environmental Law.

Section 3.14. Leases and Rents. Mortgagor agrees that Mortgagee has the right to enter the Mortgaged Property for the purpose of enforcing its interest in the Leases and the Rents. Nevertheless, subject to the terms of this Section 3.14, Mortgagee grants Mortgagor a limited license to collect the Rents provided that no Event of Default exists. Following the occurrence of,

and during the continuance of, an Event of Default, Mortgagor's right to collect Rents shall immediately, without requirement of prior notice from the Mortgagee, terminate, and any Rents previously collected and in Mortgagor's possession shall thereafter be held in trust for use in payment of the Obligations. Mortgagee may enter upon the Mortgaged Property, collect and retain the Rents and apply the Rents toward payment of the Obligations in such priority and proportions as provided for in the Credit Agreement. Upon request, Mortgagor shall furnish Mortgagee with executed copies of all Leases. In addition, all renewals of Leases and all proposed Leases shall comply with the terms of the Credit Agreement.

In addition to any rights granted under the terms of this Mortgage, upon the occurrence and during the continuance of an Event of Default, Mortgagee will be entitled as a matter of right to the appointment of a receiver without giving bond, and without regard to the solvency or insolvency of Mortgagor, waste, or adequacy of the security. Such receiver will have all the rights, powers, and remedies provided by law (including without limitation the rights of receiver pursuant to Iowa Code Section 654.14, as amended). From the date of appointment through any applicable period of redemption, the receiver will: (i) collect the Rents; (ii) manage the Mortgaged Property so as to prevent waste; (iii) execute leases within or beyond the receivership; (iv) perform the terms of this Mortgage; and (v) apply the Rents to the payment of the expenses enumerated in Iowa Code Section 654.14, in the priority required therein, and to all expenses for maintenance of the Mortgaged Property, and to the costs and expenses of the receivership, including attorneys' fees, and to the repayment of the Obligations. Mortgagor hereby irrevocably consents to such appointment.

ARTICLE IV.

EVENTS OF DEFAULT AND REMEDIES OF THE MORTGAGEE

Section 4.01. Events of Default. Each of the following shall be an "Event of Default":

(A) default shall be made in the payment of any Obligation;

(B) default shall be made in the due observance or performance of any of the covenants, conditions or agreements on the part of the Mortgagor, and, if such default shall be under Sections 3.06, 3.07, or 3.08 hereof, such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Mortgagor by the Mortgagee; provided, however, that with respect to such defaults under Sections 3.06, 3.07 or 3.08 hereof, if the nature of such default is such that Mortgagor can cure the default, but not within thirty (30) days, then the Event of Default shall be suspended for a period not in excess of sixty (60) additional days so long as Mortgagor commences cure within thirty (30) days and thereafter diligently and continuously prosecutes the curing of the default, and so long as continuation of the default does not materially impair the value of the Mortgaged Property or the ability of the Mortgagor to pay or perform the Obligations;

(C) any representation or warranty made by the Mortgagor herein, or in any certificate, instrument or document delivered hereunder, shall prove to be false or misleading in any material respect on or as of the date made; and

(D) an "Event of Default" shall have occurred under the Credit Agreement.

Section 4.02. Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, the Mortgagee may declare the Obligations to be due and payable immediately by a notice in writing to the Mortgagor, and upon such declaration, all Obligations shall become due and payable immediately, anything contained herein or in the Credit Agreement to the contrary notwithstanding.

Section 4.03. Remedies of the Mortgagee. If one or more Events of Default shall occur and be continuing, the Mortgagee (personally or by attorney), in its discretion, may:

(A) take immediate possession of the Mortgaged Property in accordance with requirements of applicable law, collect and receive all credits, outstanding accounts and bills receivable of the Mortgagor and all rents, income, revenues, profits and proceeds pertaining to or arising from the Mortgaged Property, or any part thereof, whether then past due or accruing thereafter, and issue binding receipts therefor; and manage, control and operate the Mortgaged Property as fully as the Mortgagor might do if in possession thereof, including, without limitation, the making of all repairs or replacements deemed necessary or advisable;

(B) proceed to protect and enforce the rights of the Mortgagor and the rights of the Mortgagee by suits or actions in equity or at law in any court or courts of competent jurisdiction, whether for specific performance of any covenant or any agreement contained herein or in any Credit Agreement or in aid of the execution of any power herein granted or for the foreclosure hereof or hereunder or for the sale of the Mortgaged Property, or any part thereof, or to collect the debts hereby secured or for the enforcement of such other or additional appropriate legal or equitable remedies as may be deemed necessary or advisable to protect and enforce the rights and remedies herein granted or conferred, and in the event of the institution of any such action or suit, the Mortgagee shall have the right to have appointed a receiver of the Mortgaged Property and of all rents, income, revenues, profits and proceeds pertaining thereto or arising therefrom, whether then past due or accruing after the appointment of such receiver, derived, received or had from the time of the commencement of such suit or action, and such receiver shall have all the usual powers and duties of receivers in like and similar cases, to the fullest extent permitted by law, and if application shall be made for the appointment of a receiver, the Mortgagor hereby expressly consents that the court to which such application shall be made may make said appointment ex parte; and

(C) foreclose this Mortgage, either judicially or nonjudicially, in accordance with Iowa law; and

(D) it is agreed that if this Mortgage covers less than ten (10) acres of land, and in the event of the foreclosure of this Mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months provided the Mortgagee, in such action files an election to waive any deficiency judgment against Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the Mortgagee, and the time periods in Sections 628.5, 628.15, and 628.16 of the Iowa Code shall be reduced to four (4) months.

It is further agreed that the period of redemption after a foreclosure of this Mortgage shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) The real estate is less than ten (10) acres in size; (2) the Court finds affirmatively that the said real estate has been abandoned by the owners and those persons personally liable under this Mortgage at the time of such foreclosure; and (3) Mortgagee in such action files an election to waive any deficiency judgment against Mortgagor or its successor in interest in such action. If the redemption period is so reduced, Mortgagor or its successor in interest or the owner shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15, and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of Mortgagor shall be a presumption that the property is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

Section 4.04. Application of Proceeds from Remedial Actions. Any proceeds or funds arising from the exercise of any rights or the enforcement of any remedies herein provided after the payment or provision for the payment of any and all costs and expenses in connection with the exercise of such rights or the enforcement of such remedies shall be applied to the Obligations in such order and manner as the Mortgagee shall elect in its sole discretion, and the balance, if any, shall be paid to whomsoever shall be entitled thereto.

Section 4.05. Remedies Cumulative; No Election. Every right or remedy herein conferred upon or reserved to the Mortgagee shall be cumulative and shall be in addition to every other right and remedy given hereunder or under any Credit Agreement or now or hereafter existing at law, or in equity, or by statute. The pursuit of any right or remedy shall not be construed as an election.

Section 4.06. Waiver of Appraisal Rights. The Mortgagor, for itself and all who may claim through or under it, covenants that it will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the Mortgaged Property may be situated, in order to prevent, delay or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the

purchaser or purchasers thereat, and the Mortgagor, for itself and all who may claim through or under it, hereby waives the benefit of all such laws unless such waiver shall be forbidden by law.

ARTICLE V.

POSSESSION UNTIL DEFAULT; SATISFACTION

Section 5.01. Possession Until Default. Until one or more Events of Default shall have occurred, and Mortgagee shall have exercised its remedies hereunder to take possession of the Mortgaged Property, the Mortgagor shall be permitted to retain actual possession of the Mortgaged Property, and to manage, operate and use the same and any part thereof, with the rights and franchises appertaining thereto, including, without limitation, to collect, receive, take, use and enjoy the rents, revenues, issues, earnings, income, products, profits and proceeds thereof or therefrom, subject to the provisions of this Mortgage.

Section 5.02. Satisfaction. If the Mortgagor shall well and truly pay or cause to be paid the Obligations at the times and in the manner provided in the Credit Agreement, and shall also pay or cause to be paid all other sums payable by the Mortgagor hereunder, and shall keep and perform all covenants herein and in the Credit Agreement required to be kept and performed by it, and there are no further obligations to make advances to the Mortgagor under the Credit Agreement, then and in that case, all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Mortgagor and the estate, right, title and interest of the Mortgagee shall thereupon cease, determine and become void, and the Mortgagee, in such case, at the Mortgagee's cost and expense, shall enter satisfaction of this Mortgage upon the record.

ARTICLE VI.

MISCELLANEOUS

Section 6.01. Property Deemed Real Property. It is hereby declared to be the intention of the Mortgagor that all rights of way and easements granted or given to the Mortgagor or obtained by it to use real property in connection with the construction, acquisition, ownership, use or operation of the buildings or improvements located on the Land, and all other property physically attached to any of the foregoing, including fixtures now or in the future attached to any of the foregoing, shall be deemed to be real property.

Section 6.02. Security Agreement. This Mortgage is both a real property Mortgage and a "security agreement" within the meaning of the Uniform Commercial Code of the State of Iowa (the "Uniform Commercial Code"). The Mortgaged Property includes both real and personal property and all other rights and interest, whether tangible or intangible in nature, of the Mortgagor in the Mortgaged Property. THE MORTGAGOR HEREBY GRANTS TO MORTGAGEE, AS SECURITY FOR THE OBLIGATIONS, A SECURITY INTEREST IN THE MORTGAGED PROPERTY TO THE FULL EXTENT THAT THE MORTGAGED

PROPERTY MAY BE SUBJECT TO THE UNIFORM COMMERCIAL CODE OR THE UNIFORM COMMERCIAL CODE OF ANY OTHER STATE OR STATES WHERE THE MORTGAGED PROPERTY IS SITUATED (said portion of the Mortgaged Property so subject to the Uniform Commercial Code being called in this paragraph the "Collateral"). If an Event of Default shall occur, the Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as the Mortgagee may deem reasonably necessary or advisable for the care, protection and preservation of the Collateral. The Mortgagor shall pay to the Mortgagee on demand any and all out-of-pocket expenses, including attorneys' fees and expenses, incurred or paid by the Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by the Mortgagee with respect to the Collateral sent to the Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute reasonable notice to the Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by the Mortgagee to the payment of the Obligations in such priority and proportions as provided for in the Credit Agreement.

Section 6.03. Fixture Filing. From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Mortgaged Property which are or are to become fixtures related to the Land. For this purpose, the following information is set forth:

(a) Name and address of Debtor:

FARMERS COOPERATIVE COMPANY
(a/k/a **FARMERS COOPERATIVE COMPANY (FARNHAMVILLE, IA)**)
105 Garfield Avenue
Farnamville, IA 50538
Attention: Mark W. Miner

(b) The debtor is a cooperative association, organized under the laws of the State of Iowa. Debtor's organizational number is 53707.

(c) Name and Address of Secured Party:

COBANK, ACB, as Administrative Agent
P. O. Box 5110
Denver, CO 80217
Attention: Collateral Department

(d) This document covers goods which are or are to become fixtures.

(e) Description of Real Estate: See Exhibit "A" of this Mortgage.

- (f) Owner of Record of Real Estate: Debtor.
- (g) Products of the Collateral are also covered.

Section 6.04. Mortgage to Bind and Benefit Successors and Assigns. All of the covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf of the Mortgagor shall bind its successors and assigns, whether so specified or not, and all titles, rights and remedies hereby granted to or conferred upon the Mortgagee shall pass to and inure to the benefit of the successors and assigns of the Mortgagee. The Mortgagor hereby agrees to execute such consents, acknowledgments and other instruments as may be requested by the Mortgagee in connection with the assignment, transfer, mortgage, hypothecation or pledge of the rights or interests of the Mortgagee hereunder or under the Credit Agreement or in and to any of the Mortgaged Property.

Section 6.05. Headings. The descriptive headings of the various articles and sections of this Mortgage were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6.06. Notices. All demands, notices, reports, approvals, designations or directions required or permitted to be given hereunder shall be in writing and shall be deemed to be properly given if sent by registered or certified mail, postage prepaid, or delivered by hand, or sent by facsimile transmission, receipt confirmed, addressed to the proper party or parties at the following address:

As to the Mortgagor:

Farmers Cooperative Company
105 Garfield Avenue
Farnhamville, IA 50538
Attention: Mark W. Miner
Fax No: (515) 544-3252

As to the Mortgagee:

CoBank, ACB, as Administrative Agent
5500 S. Quebec Street
Greenwood Village, CO 80111
Attention: Agribusiness Banking Group
Fax No: 303-740-4002

Either such party may from time to time designate to each other a new address to which demands, notices, reports, approvals, designations or directions may be addressed, and from and after any such designation, the address designated shall be deemed to be the address of such party in lieu of the address given above.

Section 6.07. Severability. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Mortgage shall not affect the remaining portions hereof.

Section 6.08. Governing Law. The effect and meaning of this Mortgage, and the rights of all parties hereunder, shall be governed by, and construed according to, the laws of the State of Iowa, except to the extent governed by federal law.

Section 6.09. Indemnification by the Mortgagor of the Mortgagee. The Mortgagor agrees to indemnify and save harmless the Mortgagee against any liability or damages which the Mortgagee may incur or sustain in the exercise and performance of its rightful powers and duties hereunder, including any liability or damages arising from the Mortgagor's failure to comply with any Environmental Law or the like applicable to the Mortgaged Property. For such indemnity, the Mortgagee shall be secured under this Mortgage in the same manner as the Obligations and all amounts payable under this Section shall be paid to the Mortgagee with interest at the rate specified in Section 3.09. The Mortgagor's obligations under this Section shall survive the exercise by the Mortgagee of its rights and remedies hereunder, any foreclosure on all or any part of the Mortgaged Property and the cancellation or satisfaction of this Mortgage.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

By execution of this Mortgage, Mortgagor acknowledges it has received a copy of this Mortgage.

[Signatures follow on next page.]

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EXHIBIT A -- REAL PROPERTY

MADISON COUNTY:

PARCEL 1:

All of Lot 2, and that portion of Lot 1, in Block 15, in the Original Town of Earlham, Madison County, Iowa, described as follows: Beginning at the southwest corner of said Lot 1; thence East to the southeast corner of said Lot 1; thence North 26.5 feet; thence in a Northwesterly line to a point 67 feet North of the point of beginning; thence South 67 feet to the point of beginning.

PARCEL 2:

Lots 1, 2 and 11, in Block 7, in the Original Town of Earlham, Madison County, Iowa, EXCEPT a parcel of land described as "old tank area no. 1" or "old tank area no. 2".

PARCEL 3:

That portion of Lot 1, in Block 16, in the Original Town of Earlham, Madison County, Iowa, described as follows: Commencing 28 feet North of the southeast corner of said Lot 1; thence South to said southeast corner; thence West to the southwest corner of said Lot 1; thence North 54.5 feet; thence Easterly on a straight line to the point of beginning.

PARCEL 4:

Those portions of the Chicago, Rock Island and Pacific Railroad Company's Station Grounds located in the Southwest Quarter of Section 6, Township 77 North, Range 28 West of the 5th Principal Meridian, in the Town of Earlham, Madison County, Iowa, described as follows: Commencing at the southwest corner of Lot 3 in Block 8 of the Original Town of Earlham, Madison County, Iowa; thence South along the east line of Elm Street in said town to the northerly line of the right of way conveyed to Chicago, Rock Island and Pacific Railroad Company by David Hockett on November 7, 1867; thence Southeasterly along the northerly line of said right of way to the west line of Locust Street in said town; thence North to the southeast corner of Lot 1 in said Block 8; thence Northwesterly to the point of beginning.

AND ALSO the land described as follows: Commencing on the southerly line of the above mentioned right of way 55 feet East of the east line of said Locust Street; thence South to the northerly line of Block 16 in the Original Town of Earlham, Madison County, Iowa; thence Southeasterly along the northerly line of said Block 16 to the west line of Chestnut Street in said town; thence North along the west line of Chestnut Street to the southerly line of the above mentioned right of way; thence Northwesterly along said line to the point of beginning, EXCEPT a parcel of land described as "old tank area no. 1" or "old tank area no. 2".

AND ALSO the land described as follows: Commencing on the southerly line of said right of way at its intersection with the east line of said Chestnut Street; thence South to the northwest corner of Block 15 in the Original Town of Earlham, Madison County, Iowa; thence Southeasterly along the northerly line of said Block 15 to the west line of Sycamore Street in said town; thence North to the southerly line of said right of way; thence Northwesterly along said line to the point of beginning.

AND ALSO the land described as follows: Commencing on the southerly line of the above mentioned right of way at its intersection with the east line of said Sycamore Street; thence South to the northwest corner of Block 14 of the Original Town of Earlham, Madison County, Iowa; thence Southeasterly along the northerly line of said Block 14 to the west line of Maple Street in said town; thence North to the southerly line of said Right of way; thence Northwesterly along said line to the point of beginning.

PARCEL 5:

Lot 11, except the West 55 feet thereof, and also except the South 45 feet of the East 90 feet thereof, in Block 16, in the Original Town of Earlham, Madison County, Iowa.

PARCEL 6:

That portion of Lot 1, in Block 16, in the Original Town of Earlham, Madison County, Iowa, described as follows: Commencing at the northwest corner of said Lot 1; thence South along the west line of said Lot 1, 27 feet, more or less, to a point 25 feet southwesterly, measured at right angles, from the northerly line of said Lot 1; thence Southeasterly along a line 25 feet southwesterly from and parallel with the north line of said Lot 1, 150 feet, more or less, to the west line of Chestnut Street in said Town of Earlham; thence North to the northeast corner of said Lot 1; thence Northwesterly along the north line of said Lot 1 to the point of beginning.

PARCEL 7:

Lot 2 in Block 16 in Original Town of Earlham, Madison County, Iowa.

PARCEL 8:

That portion of the Chicago, Rock Island and Pacific Railroad Company's Station Grounds located in the Southwest Quarter of Section 6, Township 77 North, Range 28 West of the 5th Principal Meridian, in the Town of Earlham, Madison County, Iowa, described as follows: Commencing at the northwest corner of Lot 2 in Block 8 of the Original Town of Earlham, Madison County, Iowa; thence North along the east line of Elm Street in said town, 105 feet, more or less, to a line being 50 feet southerly of and parallel with the center line of the Chicago, Rock Island and Pacific Railroad Company's Station Grounds in said town; thence Southeasterly along said parallel line 305 feet; thence South parallel with the west line of Locust Street in said town, 105 feet, more or less, to the southerly line of said station grounds; thence Northwesterly along said southerly line of said station grounds 305 feet to the point of beginning.

PARCEL 9:

The West 145 feet of Lot 2, in Block 8, in the Original Town of Earlham, Madison County, Iowa.

PARCEL 10:

All that part of the West Half of the Northwest Quarter of Section 2, Township 77 North, Range 29 West of the 5th Principal Meridian, Madison County, Iowa, lying south of the Chicago, Rock Island and Pacific Railway right of way, as now located.

PARCEL 11:

Lots 3, 4 and 5, in Block 16, in the Original Town of Earlham, Madison County, Iowa.

PARCEL 12:

The North Half of the Northwest Quarter of the Southeast Quarter of Section 7, Township 77 North, Range 28 West of the 5th Principal Meridian, Madison County, Iowa.

PARCEL 13:

Lot 3, in Block 8, in the Original Town of Earlham, Madison County, Iowa.